

IRS News Release

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IRS Has \$2 Billion for People Who Have Not Filed 2001 Tax Returns

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WASHINGTON — Unclaimed refunds totaling more than \$2 billion are awaiting about 1.7 million people who failed to file an income tax return for 2001, the Internal Revenue Service announced today. However, in order to collect the money, a return must be filed with the IRS no later than April 15, 2005.

The IRS estimates that half of those who could claim refunds would receive more than \$484. In some cases, individuals had taxes withheld from their wages or made payments against their taxes out of self-employed earnings but had too little income to require filing a tax return. Some taxpayers may also be eligible for the refundable Earned Income Tax Credit.

“The window is closing for 2001 refunds,” IRS Commissioner Mark W. Everson said. “As soon as you send us your tax return, you’ll get your money. But if you don’t file, you won’t get anything.”

In cases where a return was not filed, the law provides most taxpayers with a three-year window of opportunity to claim a refund. If no return is filed to claim the refund within three years, the money becomes property of the U.S. Treasury. For 2001 returns, the window closes on April 15, 2005. The law requires that the return be properly addressed, postmarked and mailed by that date. There is no penalty assessed by the IRS for filing a late return qualifying for a refund.

The IRS reminds taxpayers seeking a 2001 refund that their checks will be held if they have not filed tax returns for 2002 or 2003. In addition, the refund will be applied to any amounts still owed to the IRS and may be used to satisfy unpaid child support or past due federal debts such as student loans.

By failing to file a return, individuals stand to lose more than refunds of taxes withheld or paid during 2001. Many low-income workers may not have claimed the Earned Income Tax Credit (EITC). Although eligible taxpayers may get a refund when their EITC is more than their tax, those who file returns more than three years late would be able only to offset their tax. They would not be able to receive refunds if the credit exceeds their tax.

Generally, individuals qualified for the EITC in 2001 if they earned less than \$32,121 and had two or more qualifying children living with them, earned less than \$28,281 with one qualifying child or earned less than \$10,710 with no qualifying child.

Current and prior year tax forms are available on the IRS Web site (www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676). Taxpayers who need help may also call the IRS help line at 1-800-829-1040.

State-by-state estimates for individuals who failed to file a 2001 return with a refund due are attached.

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**INDIVIDUALS WHO FAILED TO FILE A 2001 RETURN
WITH ESTIMATED REFUND AMOUNTS***

<u>Location</u>	<u>Individuals</u>	<u>Median Refund</u>	<u>Total Refunds (\$000)</u>
Alabama	26,700	\$459	\$24,147
Alaska	8,100	\$501	\$11,010
Arizona	34,400	\$415	\$32,237
Arkansas	15,100	\$439	\$13,152
California	188,800	\$456	\$229,311
Colorado	26,600	\$451	\$34,443
Connecticut	19,200	\$586	\$31,929
Delaware	5,600	\$477	\$6,602
District of Columbia	6,200	\$513	\$8,297
Florida	115,200	\$482	\$161,371
Georgia	58,100	\$475	\$65,140
Hawaii	9,900	\$525	\$12,703
Idaho	5,900	\$399	\$5,946
Illinois	66,900	\$537	\$95,555
Indiana	32,000	\$513	\$35,440
Iowa	15,800	\$444	\$12,716
Kansas	17,100	\$454	\$16,433
Kentucky	19,300	\$533	\$22,294
Louisiana	25,700	\$471	\$30,560
Maine	6,100	\$440	\$7,436
Maryland	33,700	\$512	\$45,051
Massachusetts	36,200	\$557	\$63,219
Michigan	61,200	\$522	\$73,986
Minnesota	22,900	\$439	\$24,842
Mississippi	14,100	\$416	\$12,283
Missouri	32,800	\$451	\$31,513
Montana	4,300	\$417	\$5,937
Nebraska	8,100	\$426	\$7,710
Nevada	18,800	\$445	\$20,058
New Hampshire	7,000	\$538	\$10,180
New Jersey	51,000	\$570	\$79,433
New Mexico	11,400	\$482	\$12,874

New York	107,100	\$535	\$170,555
North Carolina	45,400	\$417	\$44,119
North Dakota	2,300	\$407	\$1,787
Ohio	54,600	\$470	\$60,379
Oklahoma	22,900	\$451	\$21,831
Oregon	23,700	\$415	\$23,935
Pennsylvania	55,600	\$522	\$67,561
Rhode Island	5,600	\$485	\$6,542
South Carolina	18,600	\$414	\$18,635
South Dakota	2,900	\$423	\$2,786
Tennessee	27,400	\$457	\$29,049
Texas	141,400	\$512	\$170,257
Utah	9,900	\$403	\$10,576
Vermont	3,000	\$458	\$3,754
Virginia	46,900	\$481	\$60,068
Washington	43,100	\$520	\$58,073
West Virginia	5,200	\$472	\$5,513
Wisconsin	18,700	\$429	\$18,209
Wyoming	3,000	\$493	\$3,985
Armed Forces	6,700	\$450	\$4,891
U.S. Possessions	1,500	\$746	\$2,125
Foreign	4,200	\$900	\$17,527
Total	1,653,900	\$484	\$2,045,965

*Excluding Earned Income Tax Credit.